FUTURE GROWTH AND PROSPERITY

MESSAGE FROM THE CHAIR OF THE ST. LAWRENCE PARKS COMMISSION AND THE GENERAL MANAGER AND CEO

We are extremely pleased to report that the St. Lawrence Parks Commission (SLPC) is recognizing net revenues of $1.145M from regular operations for the year ending March 31, 2013. After accounting for an expense of $490K for strategic investments, SLPC recognized a total net profit $655K. This tremendous accomplishment is the result of a vigilant focus on Kaizen initiatives, cost structure improvements, program enhancement and enrichment and other steps taken to realize improved margins on programs and products. It is important to note that margin was a high priority in 2012-13 and this is reflected in a net favourable budget despite a nominal decrease in visitor activity over 2011-12.

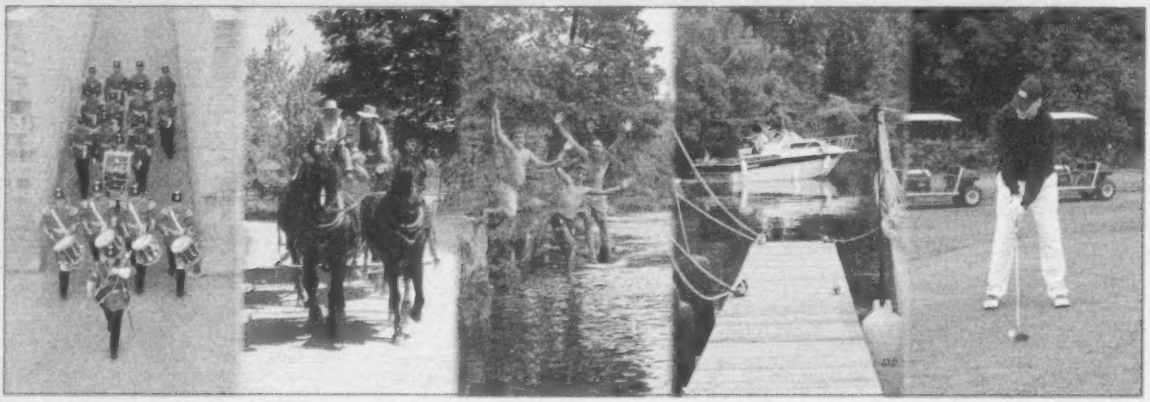
The success of these various initiatives allowed for the redirection of operating profits into investments in programs and projects that will build on the successes garnered and best deliver significant results. This will contribute to the financial sustainability of SLPC business operations, which is required to achieve the ultimate goal of fulfilling our stewardship commitment of our lands and heritage attractions. SLPC, as the major tourism operator in Eastern Ontario, is proud to continue to generate significant economic impact to the regional economy.

Once again, SLPC received tremendous support for the development of special events with $225,000 in funding through the 2012 Celebrate Ontario program. These resources were used to partially fund the start-up costs for a new fall event at Upper Canada Village named Pumpkinferno. This amazing, artistic event captured people's imaginations and entertained more than 35,000 visitors over just 19 days of operation. It also contributed an estimated $4.1M in economic impacts to the economy. Pumpkinferno along with a new chip truck service, bi-plane initiative operated by a third-party, reduced gate admission, cost structure alignment and the highly successful reciprocal program enabled Upper Canada Village to meet its net budget target.

At Fort Henry, capital investments resulted in the opening of the new Discovery Centre in June 2012, construction of the Advanced Battery Patio overlooking Kingston Harbour and Lake Ontario (which is scheduled to open in summer 2013) and the paving of the parade square. Expansion of the World Heritage Sunset Ceremonies to two nights weekly and the successful Fort Fright fall event, supported with Celebrate Ontario funds, resulted in the achievement of budget goals.

2012-13 saw a continuation of investments in infrastructure and visitor amenities in our day-use facilities and campgrounds. Farran Park returned to the SLPC's campground portfolio and underwent significant refurbishment to improve the customer experience. Tourists and residents in the local communities welcomed the introduction of free drive-through access to the Long Sault Parkway. The revitalization of the Parks continued with construction of new Retail and Registration Buildings at each campground and this will help to connect park staff more directly to the customer. New camper cabins, constructed in partnership with students in the Catholic District School Board of Eastern Ontario trades programs, were opened and 113 RV sites were upgraded as a direct response to market demand. Beach upgrades and drainage improvements were also undertaken throughout the campgrounds. Capacity at Crysler Park Marina was further expanded with 44 additional slips and a 165' ramp dock; while Upper Canada Golf Course improved its infrastructure through bunker upgrades, drainage improvements and tee renovations in anticipation of hosting the PGA Tour Canada Great Waterway Classic in August 2013.

SLPC has been successful in developing partnerships and collaborating with a cross-section of businesses and organizations including Regional Tourism Organizations (RTOs), Destination Marketing Organizations (DMOs), Destination Marketing Funds (DMFs), private tourism business operators, corporate brand businesses, service and product suppliers, cities, municipalities and media. Strategic alliances play an important role in our ability



to leverage marketing dollars, expand market research and to maximize exposure while strengthening and building community relationships. Continued development of these important strategic partnerships is a major priority for the SLPC. It is our intention to explore potential partnerships with municipalities, townships, counties and private sector businesses for shared assets, mutual efficiency activities and for collaborative marketing efforts.

Employee engagement is a critical component in the SLPC's ability to deliver on its business goals. Ensuring that all staff, from the front-line to senior management, has an understanding of our strategic direction, business goals and results is paramount. Ongoing quarterly 'All Hands' meetings, 'All Staff' surveys, cross functional Kaizen teams, the awarding of a Hero's Cup to recognize excellence, and the widely circulated business scorecards are some of the ways we are endeavouring to engage our staff.

Significant gains have been realized through our Kaizen-Lean continuous improvement approach to business operations; together with cost structure improvements and waste elimination; enrichment of our portfolio with new products, events, retail and expansion of services; and closely matched with product rationalization based on high margin potential, and intense marketing and brand awareness. By way of examples, reduced grass cutting, closing and winterizing of all non-essential buildings, streamlined admission to the attractions, and introduction of a number of electronic processes for fund transfers and employee timesheets are just a few of the ways we have 'leaned' our organization and allowed for deployment of resources to other high priority initiatives at the front-line.

We would like to thank the Ministry of Tourism, Culture & Sport for its investment in the SLPC and the staff for their continued support throughout the year. We would also like to recognize our board of commissioners, senior leadership team and staff for their dedication and commitment to the customer experience and stewardship of some of Ontario's most treasured assets throughout our portfolio.

Sincerely,

Ian Wilson
Chair

Darren Dalgleish
General Manager & CEO

SLPC BOARD OF COMMISSIONERS 2012/13

Ian Wilson
(Kingston)
Chair
April 18, 2012 – April 17, 2015

Ron Eamer
(Williamstown)
Vice-Chair
April 6, 2005 – May 11, 2012

Carmen Cousineau
(Cornwall)
Commissioner
March 23, 2011 – March 22, 2014

Vincent Durant
(Kingston)
Commissioner
September 12, 2012 – September 11, 2015

Richard Fawthrop
(Cornwall)
Commissioner
June 6, 2007 – July 17, 2013

John Fischl
(Maitland)
Commissioner
September 15, 2010 – September 14, 2013

J. R. (Jack) McIntosh
(Winchester)
Commissioner
August 8, 2005 – August 7, 2013

Brian Reid
(Kingston)
Commissioner
January 13, 2010 - January 12, 2013

Lloyd Therien
(Kingston)
Commissioner
May 30, 2007 – June 22, 2013

Isabel Turner
(Kingston)
Commissioner
May 30, 2006 – July 14, 2012

2012/13 SENIOR LEADERSHIP TEAM

Darren Dalgleish
General Manager & CEO

Bonnie VanMoorsel
Executive Assistant to the CEO

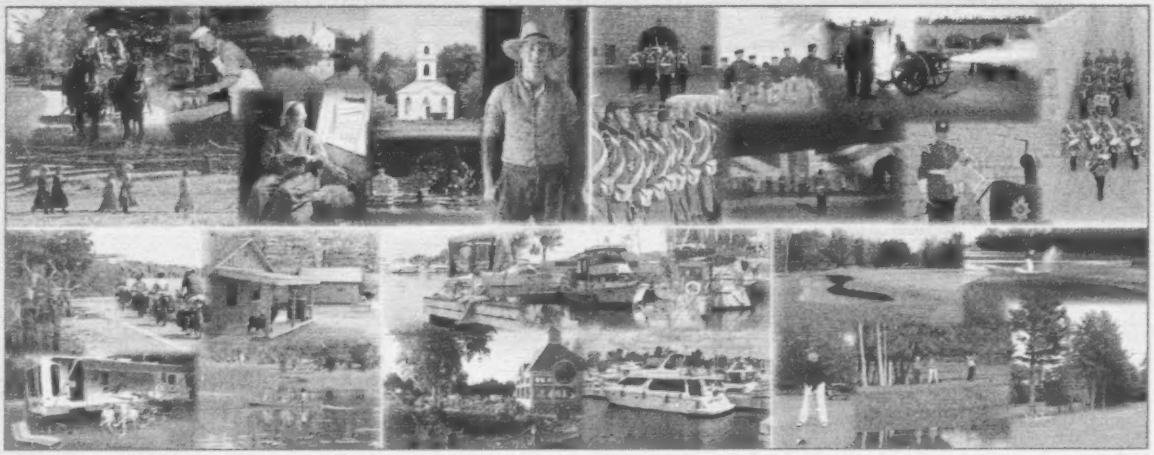
Bryan Mercer
Director, Marketing

Faye Baker
Manager, Finance and Human Resources

Dave Dobbie
Manager, Upper Canada Village

Will Baird
Manager, Fort Henry National Historic Site of Canada

Lou Seiler
Manager, Parks and Recreational Facilities



OUR MANDATE

The St. Lawrence Parks Commission was established in 1955 and is an Operational Enterprise of the Government of Ontario. Its mandate is to provide tourism, cultural, educational and recreational opportunities for residents of Ontario and visitors to the province through the presentation and interpretation of historic attractions and the development and operation of parks, campgrounds, scenic parkways and recreational areas.

OUR MISSION

The purpose of the St. Lawrence Parks Commission is to generate lasting visitor growth, drive economic prosperity, and build community partnerships in Eastern Ontario.

It is a revenue-generating tourism business offering customer-focused entertaining and educational experiences that maximize its natural, leisure and heritage assets.

LEGISLATIVE AUTHORITY

The St. Lawrence Parks Commission operates under the authority of the St. Lawrence Parks Commission Act. The Commission reports to the provincial government through the Minister of Tourism, Culture & Sport. The Board of Commissioners is responsible for overseeing the business affairs of the Commission by making policy decisions and setting strategic directions; establishing land use regulations; approving budget priorities; translating government policy into agency policy; ensuring wise use of public assets, and representing the Commission within the community.

The Commission supports its operations through:

- Fees charged at its attractions and retail outlets and revenue generated via concessionaires;
- A transfer payment from the Government of Ontario, and
- Land-use lease agreements, donations, sponsorships and partnership advertising funds in support of its facilities and programming.

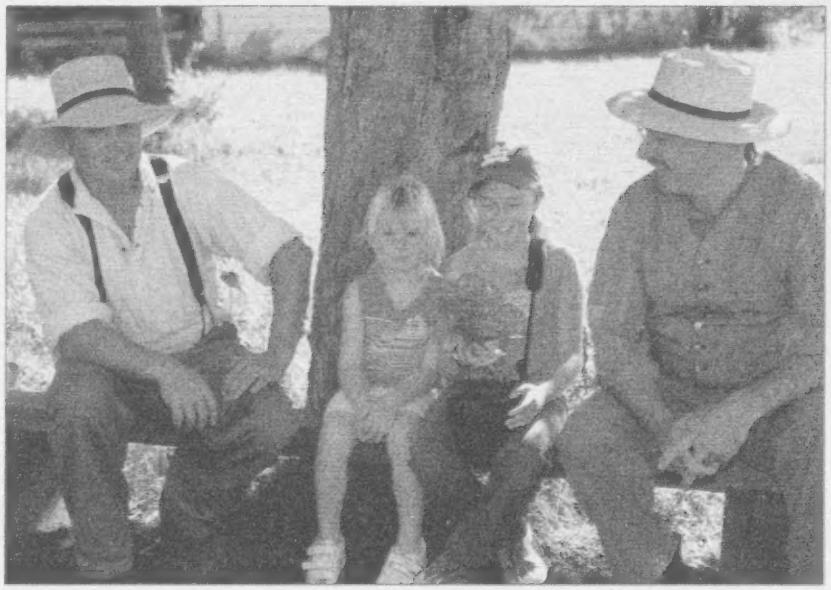
BUSINESS OBJECTIVES FOR THE REPORTING PERIOD 2012-13

CORE PRINCIPLES, VALUES AND BELIEFS

- Success must be achieved through excellence in the presentation and promotion of quality attractions and facilities and high private sector caliber retail establishments which complement rather than compete with the private sector.
- SLPC has a vital role to play in the development of tourism in Eastern Ontario, not only through excellence in the presentation and promotion of its attractions and facilities, but also by helping to develop regional programs which are responsive to the demands of the tourism markets.
- Its greatest future strength must be built upon leadership and motivated people, with Commissioners, staff and communities working together.
- SLPC is committed to responding to the needs of its visitors through service and courtesy.
- SLPC is dedicated to communicating effectively with visitors, staff, community leaders, associations, private tourism operators and the Ministry of Tourism, Culture and Sport.
- SLPC believes that the development and implementation of a unique corporate image will heighten public awareness of the SLPC as a unified corporate entity with distinct programs and facilities and serve as a cornerstone for marketing and a source of pride for staff.
- SLPC is committed to responsible and ethical management of its attractions, facilities and services.
- SLPC is committed to the principles of its Corporate Vision. It will guide corporate planning and new initiatives and it will also assist in setting priorities for existing programs and set the stage for cooperative activities with the private sector and other stakeholders.

OBJECTIVES

- To encourage and promote the tourism industry in Eastern Ontario on a year-round basis for the economic benefit of the people of the region and the province as a whole.
- To acquire, preserve, develop and maintain historic and recreational resources within SLPC's jurisdiction for the benefit of the people of Ontario and enjoyment of visitors to the province.
- To manage historic sites, campgrounds, parkways, recreation areas and/or other facilities which enhance SLPC's contribution to tourism development, recreation, learning and heritage conservation.
- To provide SLPC's services and facilities at a high standard of excellence for the recreational and learning enjoyment of its visitors.



MOVING FORWARD

SLPC will continue to be guided by the Strategic Framework which focuses the work of all employees to achieve our strategic goals. Successful execution of all of the framework elements will ensure that SLPC is collectively and directly contributing to its strategic business plan. The SLPC will build on its successes to achieve financial sustainability and the ultimate goal of fulfilling its stewardship commitment of our lands and heritage attractions.

Over the past two years, SLPC has successfully implemented new initiatives and structural changes to develop a sustainable business model that will provide a solid foundation for growth. Over the business planning cycle, SLPC will continue to build on this foundation and move into Phase II of the framework driving profit based decisions that will preserve the core and enrich our product mix and growth initiatives.

PILLAR I - DEVELOP A HEALTH, SAFETY AND ENVIRONMENTAL CULTURE

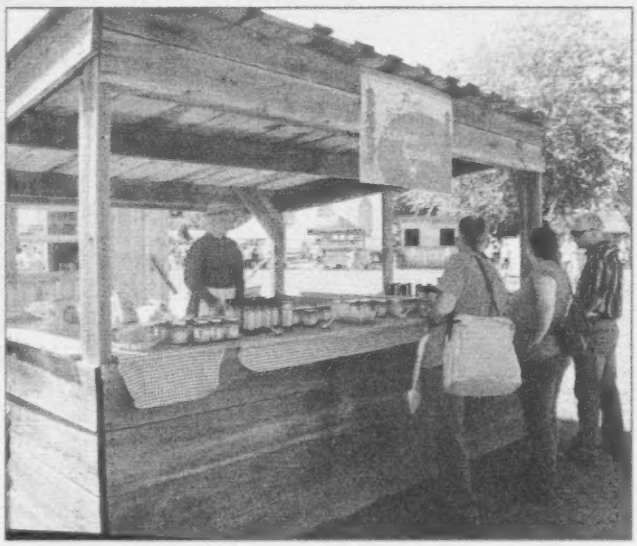
SLPC has been striving to develop a "safety-first" culture that will create a healthy work environment where employees feel safe at all times and leave a minimal environmental footprint in every location where we operate. SPI (Safety Performance Index) pilot program was successfully introduced at Fort Henry in 2012/13 and will be rolled out across the SLPC in 2013/14.

PILLAR II - ACHIEVE OPERATIONAL EXCELLENCE

SLPC will continue to improve overall performance by focusing on increased profitability of major attractions and capitalizing on enriched product mix while aligning its resources with consumer demand. SLPC will develop and implement sustainable, continuous improvement practices to constantly reduce costs and eliminate waste, and to improve quality and increase flexibility across all SLPC divisions. Continued focus on budget adherence through variance analysis, metrics and accountability will improve overall financial performance.

PILLAR III - EXPAND PRODUCT AND SERVICES OFFERING "PRESERVE THE CORE, ENRICH THE PRODUCT MIX"

The SLPC will offer to our existing and potential clients a broad range of competitive products and services and be perceived as industry innovators through exceptional creativity, depth and capacity with a focus on high yield programming and special events. Reinvestment of operational gains to grow and enhance programs and product mix will contribute to organizational and financial sustainability.



PILLAR IV - RETAIN AND DEVELOP OUR CUSTOMER BASE

Special events, thematic daily/weekend programming, perceived "value for money" and strengthened SLPC brand will attract new visitors and returning customers and increase group sales.

PILLAR V - BUILD A TALENTED AND COMMITTED WORKFORCE

The SLPC will excel at attracting, developing and retaining competent and flexible personnel to support an ever evolving high performing organization through effective leadership and employee engagement. SLPC's focus will be to build a culture of continuous improvement and personal accountability.

ATTRACTION ACTIVITY PERFORMANCE

ATTRACTION	2012/13	2011/12	+/-	%
(000's)	#	#	#	
Fort Henry (admissions)	91.1	101.9	-10.9	-10.7
Upper Canada Village & Heritage Park (admissions)	181.4	155.5	25.6	+16.5
Camper nights & Day-Use passes	120.3	120.2	.1	+.1
Upper Canada Golf Course (rds & rentals)	18.8	18.8	0	Nil
Crysler Park Marina (docked footage)	726.0	769.8	-43.8	-5.7

FINANCIAL PERFORMANCE

OPERATIONS

In 2012/13, SLPC generated $8.254M in revenue from operations, realizing an increase of $614K or 8.0% over 2011/12. In addition, SLPC received a provincial transfer payment of $7.198M and $449K in grant funding to support its operations. SLPC reported expenses from regular operations of $14.754M, and disbursed $490K from its internally restricted reserve for strategic investments in an enhanced marketing campaign, Pumpkinferno and other program upgrades. As a result, SLPC recognized total operating expenditures of $15.245M and a net profit of $655K for 2012/13.

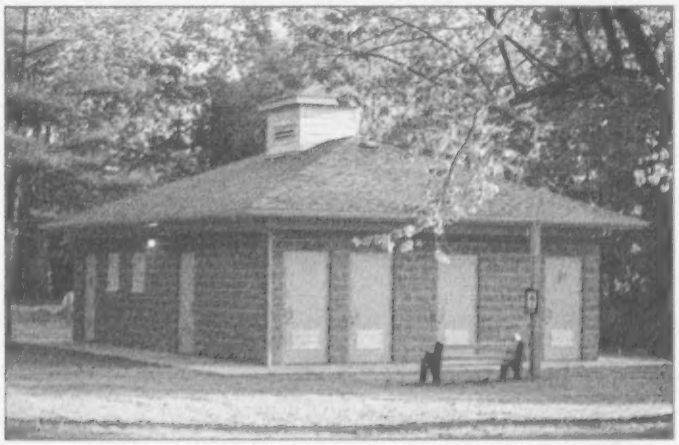
CAPITAL INVESTMENT - REVITALIZATION

In 2009, Ministry of Tourism announced grant funding of $23.0M for SLPC to construct new visitor centres at Upper Canada Village and Fort Henry to attract incremental visitors to the heritage attractions. In June, 2011 the Discovery Centre at Upper Canada Village opened to the public and in June 2012 the Fort

Henry Discovery Centre opened and welcomed visitors to experience compelling and interactive exhibits, an enhanced retail outlet and reception venue. SLPC recognized $1.253M in amortization and related expenditures in 2012/13.

CAPITAL INVESTMENT – REPAIR AND REHABILITATION

In 2012/13, SLPC received capital funding of $4.931M to fund high priority projects to comply with legislation and regulatory requirements and to ensure the safety of staff and visitors to the recreational and heritage sites. These projects included water supply and well management, upgrade and maintenance of waste disposal and treatment systems, structural repairs to heritage buildings, electrical and HVAC upgrades to meet building code requirements, road maintenance and repair, and replacement and repair of recreational and maintenance equipment. Funds were also directed to the refurbishment of the existing infrastructure including building repairs, stonework and chinking, upgrade of two campground washrooms, roof replacements and refurbishment of campground amenities. In February 2013, SLPC received additional funding of $1.0M for the reconstruction of a portion of the 1000 Islands Parkway Recreational Trail and $790K to support compliance and equipment upgrade priorities across SLPC facilities.



The chart below provides a summary of the major categories of capital projects undertaken in 2012/13.

ATTRACTION	Compliance	Rehabilitation	Total
Upper Canada Village	485.0	70.0	555.0
Fort Henry	493.7	176.4	670.1
Parks & Recreational Facilities	910.9	935.2	1,846.1
Crysler Park / Corporate	1,469.7	390.0	1,859.7
SUB-TOTAL	**3,359.3**	**1,572.0**	**4,930.9**
1000 Is Recreational Trail	1,000.0		1,000.0
Corporate Priorities	790.0		790.0
TOTAL	**5,149.3**	**1,572.0**	**6,720.9**

The St. Lawrence Parks Commission

Financial Statements
March 31, 2013

Independent Auditor's Report	2 - 3
Financial Statements	
Financial Position	4
Operations	5
Changes in Net Assets	6
Cash Flows	6
Notes to Financial Statements	7 - 16

Raymond Chabot
Grant Thornton

Independent Auditor's Report

Raymond Chabot Grant Thornton LLP
2505 St-Laurent Blvd.
Ottawa, Ontario K1H 1E4

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To The St. Lawrence Parks Commission, the Minister of Tourism, Culture and Sport and the Auditor General of Ontario

Pursuant to the St. Lawrence Parks Commission Act which provides that The St. Lawrence Parks Commission, an agency of the Crown, shall be audited by the Auditor General of Ontario or an auditor appointed by the Lieutenant Governor in Council, we have audited the accompanying financial statements of The St. Lawrence Parks Commission, which comprise the statement of financial position as at March 31, 2013 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

Note 3 indicates that, in accordance with past provincial policy, the Commission had not capitalized assets before April 1, 1994. Moreover, assets acquired before April 1, 2009 with provincial government funding have not been capitalized. In these respects, the financial statements are not in accordance with Canadian Public Sector Accounting Standards. The effects of these departures from Canadian Public Sector Accounting Standards on the financial statements have not been determined. Our audit opinion on the financial statements for the year ended March 31, 2013 was modified accordingly because of the possible effects of this misstatement.

Qualified opinion

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The St. Lawrence Parks Commission as at March 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Comparative information

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that The St. Lawrence Parks Commission adopted Canadian public sector accounting standards for government not-for-profit enterprises on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheets as at March 31, 2012 and April 1, 2011 and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Raymond Chabot Grant Thornton LLP

Chartered Accountants,
Licensed Public Accountants

Ottawa, Canada
June 21, 2013

The St. Lawrence Parks Commission
Financial Position
March 31, 2013
(In thousands of dollars)

	2013-03-31	2012-03-31	2011-04-01
	$	$	$
ASSETS			
Current			
Cash	**8,940**	13,611	4,187
Short-term investments			2,893
Trade and other receivables	**617**	916	7,053
Inventories (Note 4)	**530**	569	529
Prepaid expenses	**47**	76	54
	10,134	15,172	14,716
Long-term			
Tangible capital assets (Note 5)	**36,122**	31,667	16,395
Other long-term assets	**19**	38	58
	46,275	46,877	31,169
LIABILITIES			
Current			
Trade and other operating liabilities (Note 6)	**1,067**	5,110	3,414
Accrued liabilities	**495**	432	330
Deferred contributions (Note 7)	**5,087**	5,715	6,813
	6,649	11,257	10,557
Long-term			
Deferred contributions - tangible capital assets (Note 8)	**34,201**	30,810	15,671
Severance and future employee benefits (Note 9)	**991**	1,031	1,025
	41,841	43,098	27,253
NET ASSETS			
Unrestricted	**2,557**	1,412	1,416
Internally restricted (Note 10)	**1,877**	2,367	2,500
	4,434	3,779	3,916
	46,275	46,877	31,169

Commitments (Note 15)

The accompanying notes are an integral part of the financial statements.

On behalf of the Board,

Director

Director

The St. Lawrence Parks Commission
Operations

Year ended March 31, 2013
(In thousands of dollars)

	Unrestricted	Internally restricted (Note 10)	2013-03-31 Total	2012-03-31 Total
	$	$	$	$
OPERATING REVENUES				
Entrance receipts	3,166		3,166	3,176
Camping	2,474		2,474	2,040
Gross profit from retail operations (Note 11)	862		862	706
Golf course	528		528	530
Concession and site rentals	285		285	308
Sponsorships	288	1	289	281
Marina docking and storage	483		483	433
Investment income	48		48	77
Miscellaneous	119		119	89
	8,253	1	8,254	7,640
OPERATING EXPENDITURES				
Salaries, wages and benefits (Note 13)	10,730		10,730	10,906
Services	2,387	303	2,690	2,696
Supplies and equipment	1,226	80	1,306	1,464
Transportation and communication	262	2	264	171
Amortization of tangible capital assets	132	106	238	186
Miscellaneous	17		17	32
	14,754	491	15,245	15,455
Operating deficit before the following:	(6,501)	(490)	(6,991)	(7,815)
OTHER REVENUES (EXPENDITURES)				
Provincial government funding				
Operational	7,647		7,647	7,678
Refurbishment	2,845		2,845	2,671
Revitalization	1,253		1,253	759
Other funding		178	178	89
	11,745	178	11,923	11,197
Refurbishment				
Expenditures	(2,059)		(2,059)	(2,141)
Asset disposal	38		38	
Amortization of tangible capital assets	(824)		(824)	(530)
	(2,845)	-	(2,845)	(2,671)
Revitalization				
Expenditures	(4)		(4)	(269)
Amortization of tangible capital assets	(1,250)		(1,250)	(490)
	(1,254)	-	(1,254)	(759)
Other funding		(178)	(178)	(89)
Provincial government operational funding	7,646		7,646	7,678
Excess (deficiency) of revenues over expenditures (Note 17)	1,145	(490)	655	(137)

The accompanying notes are an integral part of the financial statements.

The St. Lawrence Parks Commission
Changes in Net Assets

Year ended March 31, 2013
(In thousands of dollars)

	Unrestricted	Internally restricted (Note 10)	2013-03-31 Total	2012-03-31 Total
	$	$	$	$
Balance, beginning of year, as previously reported	1,245	2,367	3,612	3,745
Prior period correction (Note 17)	167		167	171
Balance, beginning of year, as restated	1,412	2,367	3,779	3,916
Excess (deficiency) of revenues over expenditures	1,145	(490)	655	(137)
Balance, end of year	2,557	1,877	4,434	3,779

The accompanying notes are an integral part of the financial statements.

The St. Lawrence Parks Commission
Cash Flows

Year ended March 31, 2013
(In thousands of dollars)

	2013-03-31	2012-03-31
	$	$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	655	(137)
Non-cash items		
Amortization of tangible capital assets	2,490	1,295
Amortization of deferred contributions - tangible capital assets	(2,288)	(1,128)
Changes in working capital items		
Trade and other receivables	299	6,137
Inventories	39	(40)
Prepaid expenses	29	(22)
Trade and other operating liabilities	(4,043)	1,696
Accrued liabilities	63	102
Deferred contributions	(628)	(1,098)
Cash flows from operating activities	(3,384)	6,805
INVESTING ACTIVITIES		
Other long-term assets	19	20
Disposal of investments		2,893
Acquisition of tangible capital assets	(6,945)	(16,567)
Cash flows used in investing activities	(6,926)	(13,654)
FINANCING ACTIVITIES		
Deferred contributions - tangible capital assets	5,679	16,267
Change in severance and future employee benefits	(40)	6
Cash flows from financing activities	5,639	16,273
Net increase (decrease) in cash	(4,671)	9,424
Cash, beginning of year	13,611	4,187
Cash, end of year	8,940	13,611

The accompanying notes are an integral part of the financial statements.

The St. Lawrence Parks Commission
Notes to Financial Statements
March 31, 2013
(In thousands of dollars)

1 - GOVERNING STATUTES

The St. Lawrence Parks Commission (the Commission), a Provincial Corporation without share capital and Crown Agency, is subject to and governed by an Ontario Statute, the St. Lawrence Parks Commission Act. The Commission operates several parks, historical sites and other facilities situated on Crown lands in Eastern Ontario, including Upper Canada Village and Fort Henry, intended to provide tourism and recreation opportunities to both residents of, and visitors to, the Province. The Commission is exempt from federal and provincial income taxes under paragraph 149(1)(d) of the Income Tax Act (Canada).

2 - FIRST-TIME ADOPTION OF PUBLIC SECTOR ACCOUNTING STANDARDS

These financial statements are the Commission's first financial statements prepared using Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations (hereafter the "new accounting standards"). The date of transition to the new accounting standards is April 1, 2011.

The accounting policies presented in Note 3 and resulting from the application of the new accounting standards were used to prepare the financial statements for the year ended March 31, 2013, the comparative information and the opening balance sheet as at the date of transition, with the exception of the accounting policy for financial assets and liabilities which has been applied prospectively (the comparative amounts are presented in accordance with the accounting policies applied by the Commission immediately preceding adoption of the new accounting standards).

Exemptions relating to first-time adoption

Section PS 2125, "First-time Adoption by Government Organizations", contains exemptions to full retrospective application which the Commission may use upon transition. The Commission did not apply any optional exemption.

Impact of transition on net assets as at April 1, 2011

The impact of the transition to the new accounting standards on the Commission's net assets on the transition date, that is April 1, 2011, is negligible.

Reconciliation of the excess (deficiency) of revenues over expenditures as at March 31, 2012

The excess (deficiency) of revenues over expenditures as at March 31, 2012 determined using the new accounting standards is approximately equivalent to net earnings determined using the previous accounting standards (pre-changeover accounting standards).

Statement of cash flows

Accounting standards regarding cash flows included in the new accounting standards are similar to those included in the previous accounting standards. The Commission has not made any major adjustment to the statement of cash flows.

The St. Lawrence Parks Commission
Notes to Financial Statements
March 31, 2013
(In thousands of dollars)

3 - SUMMARY OF ACCOUNTING POLICIES

Basis of presentation

The Commission's financial statements are prepared in accordance with Canadian public sector accounting standards in the Canadian Institute of Chartered Accountants (CICA) Handbook. The Commission has elected to apply the accounting standard recommendations applicable solely to government not-for-profit organizations in Sections PS 4200 to PS 4270 of the CICA Public Sector Accounting Handbook.

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Commission may undertake in the future. Actual results may differ from these estimates.

Financial assets and liabilities

During the year, the Commission applied the recommendations of new Sections PS 1201, Financial Statement Presentation, and PS 3450, Financial Instruments, of the CICA Public Sector Accounting Handbook. These new sections require prospective application and, accordingly, comparative amounts are presented in accordance with the accounting policies which the Commission applied before adoption of these new sections.

Initial measurement

The Commission recognizes a financial asset or a financial liability on the statement of financial position when, and only when, it becomes a party to the contractual provisions of the financial instrument. Unless otherwise stated, financial assets and liabilities are initially measured at cost.

Subsequent measurement

At each reporting date, the Commission measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets), except for any investments in in listed securities which are measured at fair value. Additionally, because the Commission defines and implements a risk management or investment strategy to manage and evaluate the performance of investments on a fair value basis, these investments are included in the category of financial instruments measured at fair value by designating that fair value measurement shall apply.

The Commission determines whether there is any objective evidence of impairment of the financial assets, for both financial assets subsequently measured at amortized cost and financial assets subsequently measured at fair value. Any financial asset impairment is recognized in the statement of operations and, in the case of a financial asset classified to the fair value category, the reversal of any net remeasurements is presented in the statement of remeasurement gains and losses when an impairment is recognized.

For any portfolio investment, if there is objective evidence of impairment, the investment is written down when there is a loss in value that is other than a temporary decline. Any subsequent increase in value of a portfolio investment that has been written down is recognized in the statement of operations only when realized.

3 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Inventory valuation

Inventories are valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method.

Tangible capital assets

Amortization

Tangible capital assets, including land, acquired before April 1, 1994 are carried at nominal value. Capital assets acquired with Provincial government funds before April 1, 2009 have been expensed rather than capitalized. Tangible capital assets acquired with Provincial government funds after April 1, 2009 have been capitalized at cost.

Tangible capital assets are amortized over their estimated useful lives according to the straight-line method over the following periods:

	Periods
Buildings and other structures	20 - 40 years
Landhold improvements	15 years
Exhibits	10 years
Machinery, equipment, and tools	5 years
Vehicles	5 - 10 years
Computer systems and licenses	3 - 5 years
Office furniture and equipment	3 - 5 years
Structures	5 years

Capital grants received by the Commission are deferred and amortized at rates that offset amortization recorded on related tangible capital assets.

Write-down

When the Commission recognizes that a tangible capital asset no longer has any long-term service potential, the excess of net carrying amount of the tangible capital asset over its residual value is recognized as an expense in the statement of operations.

Revenue recognition

The Commission follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are reported as revenue in the year in which related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Retail revenue is recognized when goods have been sold and collection is reasonably assured.

Entrance fees, campsites, golf course, concession and site rentals, marina docking and storage, and sponsorships revenues, are recognized when services have been rendered and collection is reasonably assured.

3 : SUMMARY OF ACCOUNTING POLICIES (Continued)

Investment income is recognized based on the number of days the investment was held during the year and is calculated using the effective interest method.

Salaries, wages and benefits

These financial statements reflect salaries, wages and benefit costs allocated by the Province of Ontario for those members of the Ontario Public Service (OPS) who are involved with Commission operations.

Severance accrual

OPS regular employees are entitled to one week of severance pay for each year of service, up to a maximum of six months pay, when employment ceases because of death, retirement, layoff after one year of continuous service, or for any reason after five years of continuous service other than dismissal for cause and abandonment of position. Fixed term employees with more than five seasons of continuous service are entitled to such payment only if terminated by the employer. The Commission has accrued the obligation owing to regular employees. Any potential obligation for fixed term employees is recorded only upon termination.

Workplace Safety and Insurance Board

The Province provides benefits to OPS employees on workers' compensation through the Workplace Safety and Insurance Board (WSIB). Adjustments to the estimated WSIB obligation, if any, are recognized in the year in which supportive computations are made available to the Commission by the WSIB.

Pension Plan

The Province provides pension benefits to its eligible OPS employees through participation in the Public Service Pension Plan (PSP Plan) and the Ontario Public Service Employees' Union Pension Trust (OPSEU Pension Trust). These plans are multi-employer defined benefit pension plans. As the Commission has insufficient information to apply defined benefit plan accounting, the plans have been accounted for as defined contribution pension plans, and the Commission's annual contributions are expensed. According to the Public Service Pension Act any deficiencies of the pension fund are to be paid out of the Consolidated Revenue Fund of the Province of Ontario, and as such no attempt has been made to calculate any amount owing regarding the unfunded liability (if any) with respect to these pension plans.

The St. Lawrence Parks Commission
Notes to Financial Statements
March 31, 2013
(in thousands of dollars)

4 - INVENTORIES

The total carrying amount of inventories at cost is $530 (2012 - $569). No inventories are carried at net realizable value or at fair value less selling costs. Year-end inventory values are comprised of:

	2013	2012
	$	$
Retail stores	378	402
Maintenance parts and replacements	152	167
	530	569

5 - TANGIBLE CAPITAL ASSETS

			2013-03-31	2012-03-31
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
	$	$	$	$
Buildings and other structures	15,815	501	15,314	7,391
Landhold improvements	9,402	534	8,868	7,156
Exhibits	7,132	818	6,314	4,383
Machinery, equipment and tools	1,240	480	760	315
Vehicles	2,550	1,182	1,368	1,361
Computer systems and licenses	1,715	609	1,106	734
Office furniture and equipment	1,350	840	510	500
Structures	2,175	693	1,482	1,105
Construction in progress	400		400	8,623
	41,787	5,665	36,122	31,667

6 - TRADE AND OTHER OPERATING LIABILITIES

Government remittances total $14 as at March 31, 2013. ($16 as at March 31, 2012)

7 - DEFERRED CONTRIBUTIONS

	2013	2012
	$	$
Prepaid admissions and camping	973	783
Ministry of Tourism, Culture and Sport - funding for refurbishment		
Balance, beginning of year	1,925	2,472
Contributions	5,936	6,197
Expenditures	(4,449)	(6,744)
Balance, end of year	3,412	1,925

The St. Lawrence Parks Commission
Notes to Financial Statements
March 31, 2013
(in thousands of dollars)

7 : DEFERRED CONTRIBUTIONS (Continued)

	2013 $	2012 $
Ministry of Tourism, Culture and Sport - funding for Fort Henry refurbishment		
Balance, beginning of year	29	29
Expenditures	(29)	
Balance, end of year	-	29
Ministry of Tourism, Culture and Sport - funding for revitalization		
Balance, beginning of year	2,924	1,827
Contributions	737	12,780
Expenditures	(3,259)	(11,683)
Balance, end of year	402	2,924
Ministry of Tourism, Culture and Sport - 50th Anniversary Celebration		
Balance, beginning of year	50	305
Expenditures	(50)	(255)
Balance, end of year	-	50
Ministry of Tourism, Culture and Sport		
Contributions	300	-
Balance, end of year	300	-

During the year, the Ministry advanced $300 to the Commission as a "Land Sales Initiative". Once the subject parcels of land are sold, the Commission is required to repay this amount.

Ministry of Canadian Heritage		
Balance, beginning of year	-	1,421
Contributions	-	158
Expenditures	-	(1,579)
Balance, end of year	-	-
Other deferred contributions	-	4
	5,087	5,715

The St. Lawrence Parks Commission
Notes to Financial Statements
March 31, 2013
(In thousands of dollars)

8 - DEFERRED CONTRIBUTIONS - TANGIBLE CAPITAL ASSETS

	2013	2012
	$	$
Ministry of Tourism, Culture and Sport - funding for refurbishment		
Balance, beginning of year	**5,448**	1,376
Tangible capital additions	**2,427**	4,602
Amortization	**(822)**	(530)
Balance, end of year	**7,053**	5,448
Ministry of Tourism, Culture and Sport - funding for revitalization		
Balance, beginning of year	**20,827**	9,903
Tangible capital additions	**3,256**	11,414
Amortization	**(1,250)**	(490)
Balance, end of year	**22,833**	20,827
Ministry of Tourism, Culture and Sport - infrastructure stimulus funding		
Balance, beginning of year	**4,361**	4,392
Tangible capital additions		58
Amortization	**(178)**	(89)
Balance, end of year	**4,183**	4,361
Celebrate Ontario		
Balance, beginning of year	**174**	
Tangible capital additions		193
Amortization	**(42)**	(19)
Balance, end of year	**132**	174
	34,201	30,810

9 - SEVERANCE AND FUTURE EMPLOYEE BENEFITS

	2013	2012
	$	$
Severance accrual	**808**	813
WSIB benefit accrual	**183**	218
	991	1,031

10 - INTERNALLY RESTRICTED NET ASSETS

A portion of net assets has been internally restricted by the Board of Commissioners to fund future capital expenditures. In the current year, the Board of Commissioners approved expenditures from these restricted net assets of $491.

The St. Lawrence Parks Commission
Notes to Financial Statements
March 31, 2013
(In thousands of dollars)

11 - GROSS PROFIT FROM RETAIL OPERATIONS

Retail gross profit is comprised of:

	2013	2012
	$	$
Sales from retail operations	1,816	1,478
Cost of goods sold	954	772
Gross profit from retail operations	862	706

12 - TRANSACTIONS WITH THE PROVINCE OF ONTARIO

In the normal course of operations, the costs of post-retirement non-pension employee benefits have been paid by the Management Board Secretariat of the Province of Ontario and are not included in the statement of operations of the Commission. Further transactions with the Province of Ontario are as shown below, and are measured at their exchange amount as established and accepted by the parties.

Included in accounts receivable is $90 (2012 - $73) due from the Ministry of Finance regarding payroll expenses. Included in accounts payable is $287 (2012 - $292) due to the Ministry of Finance in connection with payroll expenses.

During the year, the Commission paid a total of $11,672 (2012 - $11,772) in gross payroll expenses to the Ministry of Finance.

Included in Services expenditures is $67 (2012 - $83) paid to the Ministry of Finance for various services including advertising and pay stub printing, and $10 (2012 - $9) paid to the Ontario Provincial Police for security services.

During the year, the Commission paid the Ministry of Transportation $201 (2012 - $200) for the maintenance of the 1000 Islands Parkway which is included in Supplies and equipment expenditures, and paid $27 (2012 - $29) to the Ministry of Finance for general liability insurance and provincial licenses.

Included in Construction in progress and in subsequently capitalized amounts is $2,806 (2012 - $9,869) paid to the Ontario Realty Corporation for project management services.

During the year, the Commission recognized funding totaling $11,923 (2011 - $11,197) from the Ministry of Tourism, Culture and Sport, which is included in Provincial government funding.

13 - PENSION PLAN

The Commission's contribution to the PSP Plan and the OPSEU Pension Trust for the year ended March 31, 2013 was $543 (2012 - $539) and is included in salaries, wages and benefits.

14 - REMUNERATION OF MEMBERS

Total remuneration of members of the Commission was $11. (2012 - $22)

The St. Lawrence Parks Commission
Notes to Financial Statements
March 31, 2013
(In thousands of dollars)

15 - COMMITMENTS

a) The Commission has entered into long-term lease agreements expiring on various dates between 2013 and 2017 which require lease payments of $144. The minimum lease payments for the next four years are $90 in 2014, $39 in 2015, $11 in 2016, and $4 in 2017.

b) The Commission entered into a long-term maintenance contract with the Ministry of Transportation in 1983. An annual payment is made for the maintenance of the 1000 Islands Parkway of $150, adjusted for inflation, until written notification of termination is made by the Commission, which requires a minimum of eight months to come into effect. There is a commitment of $213 for the forthcoming financial year.

c) The Commission has entered into a long-term agreement with Parks Canada to provide funding for Conservation Program Maintenance Projects to be expended during the period from 2011 to 2017. The agreement requires total funding of $2,800 with payments of $400 per year beginning in 2011 and each year thereafter.

d) The Commission has two significant capital project agreements to be completed in the 2014 year: the Fort Henry projector at approximately $850, and the Bike Path Agreement at $990. Both projects are to be completed by July 1, 2013.

16 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risks

The Commission is exposed to, and manages, various financial risks resulting from both its operations and its investments activities, and does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Main financial risk exposure is as follows:

Credit risk

The Commission is exposed to credit risk regarding the financial assets recognized on the statement of financial position. The Commission has determined that the financial asset with greater credit risk exposure is trade accounts receivable since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Commission.

The credit risk regarding cash and cash equivalents is considered to be negligible because the counterparty is a reputable bank with an investment grade external credit rating.

Interest rate risk

The Commission is exposed to interest rate risk with respect to financial assets and liabilities bearing fixed and variable interest rates.

Concentration risk

All of the Commission's cash and short-term investments are held at the same financial institution.

The St. Lawrence Parks Commission
Notes to Financial Statements
March 31, 2013
(In thousands of dollars)

16 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Carrying amount of financial assets by categories

The Commission's financial assets, totaling $9,557 ($14,527 as at March 31, 2012), have all been classified as financial assets measured at amortized cost, less any reduction for impairment.

17 - PRIOR PERIOD CORRECTION

During 2012, the valuation of a maintenance inventory supply of parts and replacements, which in previous operating years had been expensed, was re-assessed by management. A carrying value of $167 was determined at March 31, 2012, with a corresponding April 1, 2011 value of $171, both of which have been accordingly reflected in the March 31, 2013 financial statements. This has resulted in a net increase in operating expenditures of $4 in 2012, with increases of $171 in 2012 opening unrestricted net assets and $167 in 2013 opening unrestricted net assets.

18 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.